

The Howey Political Report



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Brian A. Howey, publisher

Mark Schoeff Jr., Washington writer

Jack E. Howey, editor

The Howey Political Report Office: 317-254-1533
PO Box 40265 Fax: 317-968-0487
Indianapolis, IN 46240-0265 Mobile: 317-506-0883

brianhowey@howeypolitics.com
www.howeypolitics.com

Washington office: 202-775-3242;
Business Office: 317-254-0535.

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“QUOTE” OF THE WEEK

“I’ve asked her to do more than just look under the hood and kick the tires. If there’s a better way to serve you, then maybe it’s time to redesign the whole car.” - Gov. Joe Kernan, assigning Lt. Gov. Davis to study government reform, in Tuesday’s State of the State address

Jobs, not FDK, will drive gov’s race

Kernan’s State of State rated well

By **BRIAN A. HOWEY** in Indianapolis

The speech, by most accounts from the press and legislators, was exceptional.

The issues, full day kindergarten in particular, are a little more tenuous and maybe even dubious.

Such was the big week for Gov. Joe Kernan.

Kernan’s political challenges go far beyond Mitch Daniels and Jim Kittle Jr. Somehow, some way, the governor had to act decisively in the face of the growing BMV and FSSA scandals. “I will not tolerate anything less than integrity, honesty, and a total commitment to do the best job for the people of Indiana ... And those few who choose to perform otherwise or exploit the system, you will not be on my team,” Kernan said in his first State of the State speech.

To which House Minority Leader Brian Bosma responded, “Words are cheap. I would like to see action.”

But there has been action, with former U.S. Marshal Michael Carrington handling an internal BMV audit, and FSSA Commissioner Cheryl Sullivan trying to tamp out the array of blazes that threaten to consume the agency with lower level indictments.

The real political problems are the \$1 billion deficit, Kernan’s unwillingness to reopen the budget or raise taxes, compounded by a \$150 million annual price tag for full day kindergarten.

It’s hard to argue against FDK from a public policy viewpoint because there’s plenty of research that shows it is an effective way to build strong minds. But it comes at a time when Indiana’s nearly 300 public school districts have laid off close to 1,500 teachers over the past two years, and

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Covering 10 years of Indiana politics

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NBC POLL HAS BUSH AT 54 PERCENT: A Wall Street Journal/NBC News poll of 1,002 adults, conducted over Jan. 10-12 (+/- 3.1%), shows: 54% approve of the job that George W. Bush is doing as president; 41% disapprove; 6% were not sure. 54% would vote for George W. Bush, 37% would vote for Howard Dean. 55% would vote for George W. Bush, 34% would vote for Richard Gephardt. 53% would vote for George W. Bush, 35% would vote for Wesley Clark. 54% would vote for George W. Bush; 35% would vote for John Kerry.

KERRY LEADS ZOGBY POLL IN IOWA: The latest Reuters/MSNBC/Zogby poll, of 502 likely Iowa Democratic caucus-goers taken Jan. 12-14 and released Thursday morning, has Sen. John Kerry at 22%; followed by Howard Dean and Rep. Richard Gephardt tied at 21% each; Sen. John Edwards 17%; Wesley Clark 3%.

DEAN HAS 10-POINT LEAD IN NEW HAMPSHIRE OVER CLARK: The latest American Research Group poll of 623 likely Democratic primary voters in New Hampshire, conducted Jan. 11-13 (+/- 4%) shows: 32% would vote for Howard Dean; 22% for Wesley Clark; 13% for Sen. John Kerry ;

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this with President Bush's No Child Left Behind accountability "screaming down the track," as one congressional aide put it last summer.

East Allen Schools Supt. Jeff Abbott told the *Fort Wayne Journal Gazette*, "Absolutely no way can we afford any expansion of programs. We're going to be looking for things to cut." FWCS Chief Operations Officer Doug Coutts said, "We just laid off 141 teachers and called back a few, so we are not in very good shape financially to be adding programs."

Evansville-Vanderburgh Schools just eliminated FDK due to budget constraints.

Republican Mitch Daniels responded by saying, "Given the state's bankruptcy, it is not clear that a sustainable program can start now, but let's have a look."

Now, think back to the holiday family dinners and parties and other events where politics might have entered the discussion. No one HPR has talked to is putting FDK high on the priority list now. People are talking about jobs, property taxes and terrorism. FDK seems to be a throwback to the O'Bannon days.

And the FDK proposal has been hammered in the press (see *Columnists*, Page 8) almost entirely on the basis of the state's "bankruptcy."

"I wouldn't have proposed full day kindergarten if I didn't think we should get it done and could get it done," Kernan told the *Associated Press* on his trip to Evansville on Wednesday.

Gov. Kernan is aggressively pushing the jobs package, doing all four morning TV shows in Indianapolis, conducting eight satellite interviews with out-state media prior to his trip to Evansville, where he pushed the "Indiana@Work" program. Indiana@Work is "a tool for Indiana workers and Indiana companies to look for ways to come together very effectively and very efficiently," Kernan said (*Associated Press*). Kernan said reallocating \$10 million from other areas of state government will fund the effort for five years.

But Indiana Republican communications director Marc Lotter said, "Essentially he wants Indiana to be an employment agency and the problem with that is that there aren't enough jobs."

It is likely that come next October and November, this election will turn on that four letter word -- jobs -- as Indiana and the nation struggle through what has been a jobless recovery to date.

Full day kindergarten is the kind of program that needs a better economy to flourish, and even in good years such as 1999, it couldn't pass muster. ❖

Indiana 2004 Gubernatorial

Governor 2004: Republican: Mitch Daniels, Eric Miller, Petersburg Mayor Randy Harris, Bob Parker. **Democrat:** Gov. Joe Kernan. **1996 Results:** O'Bannon (D) 1,075,342, Goldsmith (R) 997,505, Dillon (L) 35,261. **2000 Results:** O'Bannon (D) 1,230,345, McIntosh (R) 906,492, Horning (L) 38,686. **2004 Forecast:** The Indianapolis Star/WTHR will release gubernatorial polling numbers tonight. A Northwest Indiana steel union and Democratic congressman lashed out Wednesday at Republican gubernatorial candidate Mitch Daniels, chastising anti-steel tariff comments attributed to him in a new book highly critical of the Bush administration. U.S. Rep. Pete Visclosky, D-Ind., and leaders of United Steel Workers of America in Gary called for Daniels to step out of the Indiana governor's race. Miller released a spending cap proposal on Monday, but it was barely covered in the news media. Candidate financial reports are due today. **Republican Primary Status:** *Likely Daniels*; **General Status:** *Tossup*.

HORSE R A C E

Borst declares for re-election; Waltz engages

By **BRIAN A. HOWEY**

GREENWOOD - Senate Finance Chairman Larry Borst kicked off his first credibly challenged re-election campaign in three decades ... with a press release and hardball tactics on his behalf from Senate President Robert Garton.

His challenger, Johnson County Council President Brent Waltz, however, found fodder in the developments to draw the campaign's contrasts.

"I want to continue pursuing equitable property assessment and continued state appropriations for further property tax relief," Sen. Borst said. "If the ultimate goal is to lessen the reliance on property tax for the funding of school and government services, I am all for that."

Borst added, "Economic development, job creation, and job retention should be of the highest priority for the legislature and the administration during the coming years. I support the idea of having Indiana's future economic development removed from the Statehouse and guided by professionals."

It was an opening Waltz couldn't resist. "Mr. Borst's desire to remain employed by the taxpayers as a senator should come as no surprise. Thousands of citizens in the 36th Senate District wanted to keep their jobs as well, but my opponent's antiquated tax policies and his short-sighted economic views have caused Indiana to lead the nation in personal bankruptcies, home foreclosures, and decline in personal income."

Waltz then attempted to define Borst's liabilities back two decades. Waltz said, "His opposition to banking reform throughout the 1970s and 1980s weakened local banks to the point that virtually all of them were taken over by their out-of-state competitors."

Indiana law didn't allow banks to put branches across county lines until it passed legislation in 1986. By that time,

Indiana's biggest banks were snapped up by companies from Detroit, Chicago and Columbus, Ohio. Borst, Waltz says, was the biggest impediment for those reforms.

"Although I have spent much of my professional career creating jobs, Indiana will be better off if Larry Borst loses his job on May 4th." Waltz added, "I agree with my opponent that 'economic development and job retention should be of the highest priority for the legislature during the coming years.' It's just a shame that after 36 years in office economic development and job creation weren't higher priorities for Larry Borst until I announced my candidacy. Now voters will have the chance to hold him accountable for decades of neglect.

"This tactic is not just confined to how he has neglected economic development; he has conducted his campaign so far in much the same fashion. Prior to my announcement, my opponent attended exactly zero Greenwood GOP meetings between October 2000 (just before his last election) and the summer of 2003. He hasn't missed one since."

Waltz charged that Borst has turned his annual report into "monthly updates -- all at taxpayer's expense -- shortly after I announced my candidacy."

He added, "I disagree that 'Indiana's future economic development be removed from the Statehouse and guided by professionals'. We just need more professional businessmen in the Statehouse and fewer professional politicians like Larry Borst."

Other Borst/Waltz developments

On Wednesday, Waltz ran a half page ad in the *Johnson County Daily Journal* titled, "My opponent's record on taxes." He cited a 1998 Borst quote that, "A state tax increase is nowhere in sight." That is followed by a Sept. 5, 2002 quote

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9% for Sen. Joseph Lieberman; 4% for Rep. Richard Gephardt; and 3% for Sen. John Edwards 3%; wit 16% undecided.

DEAN UP BY 2 PERCENT IN SOUTH CAROLINA: A Survey USA poll of 621 likely South Carolina voters, conducted Jan. 11-13, shows 25% would vote for Howard Dean; 23% would vote for Wesley Clark; 17% would vote for John Edwards; 12% would vote for Al Sharpton.

DEAN UP BY 3 PERCENT IN ARIZONA: USA Today (1/14, 4A) reports, "Howard Dean and Wesley Clark lead the field of Democratic presidential candidates in Arizona." A Behavior Research Center poll shows Dean at 29%, followed by Clark at 26%.

WINSTON CAMPAIGNS FOR EDWARDS IN IOWA: Former Indiana Democratic Chairman Robin Winston spent last weekend in Iowa calling on African-American leaders and pastors to support U.S. Sen. John Edwards in next Monday's caucus. "Edwards is gaining momentum in Iowa," Winston said.

PULLTABS PASS HOUSE COMMITTEE 12-1: State and local governments would reap millions of dollars under a bill approved

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Wednesday allowing slot-like machines in Fort Wayne and three other venues statewide (Niki Kelly, Fort Wayne Journal Gazette). The House Public Policy Committee sparked renewed debate over Indiana's ever-expanding gambling landscape when it voted 12-1 to move the measure forward. House Bill 1188 will next be heard by the House Ways and Means Committee. It appears to have a fair amount of momentum on both the Democrat and Republican side in the House. But it faces a tough future after that. Gov. Joe Kernan and Senate President Pro Tem Robert Garton, R-Columbus, both oppose an expansion in gambling. There would be a 31 percent tax applied to gross receipts from the machines. After giving a portion to Madison and Shelby counties, another 4 percent would be dedicated to Clean Water Indiana to leverage federal dollars. The remaining pot - about \$128 million - would be split, with about \$64 million a year going to the state General Fund and the other \$64 million going to non-gaming counties around the state.

PETERSON SUPPORTS SLOTS: "We have a lot of financial needs in this city, and the money from that would certainly come in handy," said Indianapolis Mayor Bart Peterson, who supports the bill (Indiana-

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from Borst: "The tax increases passed in June will make it pretty hard to consider any tax increases in 2003."

In Saturday's *Johnson County Daily Journal*, Bryan Corbin reported: Borst said he is introducing a bill that would eliminate most local property taxes and shift the funding for schools, counties, cities and towns onto sales and income taxes. Borst's proposals could reduce property taxes on homeowners from 44 to 100 percent, though Hoosiers would have to pay higher state sales taxes and local income taxes to make up the difference, he said. But the plan also would mean some nonprofit groups, such as churches

and fraternal organizations, might have to pay property taxes for police and fire protection. "What I'm trying to do is tell the people there is another way, but it is very painful so far as to pay for it," Borst said.

Waltz lost the services of Perkins-Nichols Media. Bill Perkins cited threatening phone calls from Larry Borst's campaign coordinator Ester Snyder and Garton as the sole reason for his resignation.

"I've gotten pressure from all areas of the organization to the point that I'm going to have to bow out," Perkins said in an e-mail to Waltz. ❖

The Mitch & Murphy Show (on a prayer)

By **BRIAN A. HOWEY**

INDIANAPOLIS - When Tracy Bock finished her prayer at the Marion County Republican Central Committee convention last Saturday, I turned to the guy standing next to me and said, "Now that was one heck of a prayer."

Prayers at political events get only cursory attention from folks. Some nod their heads and appear to be in earnest meditation. Others fidget, eyes pop open and wander, bodies rock back and forth. But as Republicans prepared to officially crown State Rep. Mike Murphy as the new county chairman last Saturday, Pike Township's Bock asked the Lord to "grant wisdom and courage to Gov. Kernan." A few seconds later, she was urging the Lord to grant "wisdom and courage" to Ed Treacy, the Marion County Democratic chairman.

It was a graceful, compelling act that caught my attention at a place where you'd expect red meat politics.

And there was some. Former prosecutor Scott Newman noticed Bock's prayer. "If the Lord gives Ed Treacy wisdom and courage, it's really gonna jazz him up," Newman said.

A few moments later, Republican gubernatorial candidate Mitch Daniels

stood before the 300 in attendance at the Farm Bureau Building at the Indiana State Fairgrounds. He, too, said he found Bock's prayer to be of particular interest and grace.

"A prayer is always appropriate," Daniels intoned, "And Tracy did it unusually well."

So now this prayer has moved from the periphery of the event and into its wheelhouse.

"In particular," Daniels continued, his campaign intended to reach out to "those who do not agree with us; who see the world differently than we do. That's exactly the way to approach things. There are larger things than winning an election. We are not here to pursue our power and our own self-interests. We are here to pursue the interests for all. As we rebuild this party from this fresh start, it will be for all our fellow citizens."

So what was anticipated to be a red meat convention to stoke up the moribund Prozac City Republicans had turned ... on a prayer ... to an altruistic tone, appealing to what Lincoln would call "the better angels of our nature."

Daniels has been doing this to date, urging Hoosiers to "aim higher" and conduct themselves, both personally and pro-

professionally, at a greater standard.

This is not to say that Mitch Daniels isn't interested in anything other than becoming the next Indiana governor. After the November elections when the City-County Council went Democratic for the first time in Unigov history, and Mayor Bart Peterson landed to a second term, *Eye* columnists such as I and Cam Carter called for then Chairman John Keeler to resign. Keeler couldn't criticize Mayor Peterson because of the Baker & Daniels lobbying contract. The loyal opposition was like a hound with a muzzle.

Keeler finally agreed to step down in late December, and the GOP coalesced around Rep. Murphy, a long-time party fund-raiser. "We must re-establish the Republican Party as a source our neighbors look to for leadership," Murphy said. "We must rekindle the can-do spirit that made our city great. Now is the time for a new generation of Republicans to lead our party. New ideas from men and women of all ages and all faiths will be tested in all townships and neighborhoods. Democrats are not our enemies. On the South Side where I come from, you can't tell the difference between Bush Republicans and Reagan Democrats."

Daniels observed, "The reconstruction of the Marion County Republican Party will be the reason we will win the election." With Stephen Goldsmith and David McIntosh losing Marion County in the last two gubernatorial races by at least 45,000 votes, winning the county in 2004 makes a Daniels victory "a lot more likely," he said.

In conversations with Daniels and Kernan, both have made it clear they believe the next Indiana governor will be the one who can define a clear vision for Indiana's future. "That's where I'll be," Kernan said. "That's where I'll go."

When Gov. Kernan re-entered the 2004 race, Daniels' response was, "This is absolutely for the best. It makes the questions before us completely plain. Do we

have the kind of economic opportunities we want for our kids and for the least fortunate among us, or should we aim higher? As taxpayers, are we satisfied with the quality and performance of state government, or should we expect more?"

The challenge for the two candidates is to present a clear vision for the future while keeping the criticism of legitimate performance and public policy questions in the proper context. If it degenerates into a mud fight or the two candidates resemble smudge pots belching acrid smoke, the vision becomes muddled for anxious Hoosiers, many of whom endured an awful 2003.

Now the wild card in all of this is Indiana Republican Chairman Jim Kittle Jr., who has not been inclined to pray for "wisdom and courage" for Gov. Kernan, Ed Treacy or any other Democrat. Kittle released a volume of press clippings under the title of Kernan's legacy "of neglect." When Kittle got up to speak as the GOP convention concluded, he acknowledged his "critics" who had "scolded" him on being too negative (*Who, me?*).

Kittle then took a page from President Truman. "They used to say, 'Give 'em hell, Harry.' And Truman would say, 'I don't give 'em hell, I tell them the truth and they think it's hell.'"

"That's what I'm doing," Kittle said.

Fair enough. I've heard Democrats such as Evan Bayh tell that same Harry Truman story as they reamed out Republicans. It's fair game to point out legitimate performance and public policy issues.

The true challenge ... and the finest art of politics ... is to do it the way Tracy Bock suggests, with wisdom and courage. If Kernan and Daniels can wage the campaign under those basic guidelines, Hoosiers should experience a riveting and informative campaign, played out on that higher plane Daniels believes we should be aiming for. ❖

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polis Star). Indiana lawmakers estimate the bill would provide \$66 million to the state and more than \$84 million for local governments. "I'm looking for revenue, and that's a voluntary tax. People only pay it if they go there," said Sen. Bob Meeks, R-LaGrange, chairman of the Senate's budget subcommittee. "That's a lot of money. That will help." But Sen. Larry Borst, R-Greenwood, chairman of the Senate Finance Committee, said he thinks the economy will improve so much in the next 18 months that the state won't need additional income sources.

SIMPSON SENATE CAMPAIGN HAS \$500,000: How do you build up a huge war chest for a state Senate campaign? In the case of Sen. Vi Simpson, D-Ellettsville, it's by running for six months for governor and then having to withdraw from the race (Kurt Van der Dussen, Bloomington Herald-Times). Simpson's 2003 gubernatorial campaign, which ended when new Gov. Joe Kernan decided to run for election in 2004 after all, has just over \$500,000 in unspent money in her campaign coffers from her gubernatorial effort. Jan. 21 is the deadline for gubernatorial candidates to file campaign finance reports with the Indiana secretary of state for 2003. And Simpson's will

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show that she took in \$875,192.21 during her campaign. Of that sum, \$373,000 or so already had been spent during her campaign on various costs directed toward the May 4 primary, in which she expected to face former state and national Democratic chairman Joe Andrew for the nomination.

ENVIRONMENTALISTS RAISING MONEY FOR I-69 LAWSUIT: An environmental group that opposes the route selected for Interstate 69 is raising money to sue the Indiana Department of Transportation, according to a letter provided Wednesday to the Courier & Press. "We must raise \$100,000 to file a lawsuit," reads a letter sent by the Hoosier Environmental Council and signed by executive director Tim Maloney. "We must hire attorneys and consultants to prove that the final study violates the (National Environmental Policy) Act.

ORENTLICHER PUSHES NEW PENALTIES FOR CHILD PROTECTIVE WORKERS: Indiana should consider tougher penalties for child welfare workers who file false reports in abuse or neglect cases, a state lawmaker pushing for reform said Wednesday (Kevin Corcoran, Indianapolis Star). Falsifying such information is a misdemeanor

2004 Racing Form
Indiana 2004 Congressional

U.S. Senate: Republican: Marvin Scott, Dwight Wilkerson. **Democrat:** U.S. Sen. Evan Bayh. **1992 Results:** Coats (R) 1,267,972, Hogsett (D) 900,148. **1998 Results:** Bayh (D) 1,012,244, Helmke (R) 552,732. **2004 Forecast:** The *Rothenberg Political Report* rates Bayh's Senate seat as "Safe Democratic." Bayh's support for President Bush's policies dipped dramatically last year as Indiana's Democratic senator sided with his party to oppose a group of judicial nominees, a handful of environmental policies and efforts to hold on to the tax cuts despite the government's growing deficit (Sylvia Smith, *Fort Wayne Journal Gazette*). He supported Bush just more than half the time on issues the White House cared enough about to make clear public statements. Bayh's 55 percent presidential support was slightly higher than the 48 percent average among Democrats but considerably lower than the 94 percent average among Republicans. Overall, Bush got his way in the Senate 75 percent of the time. Bayh defied a pattern that political scientists have long observed: As re-election day approaches, a senator of one party typically tends to side with a popular president of the opposite party if that president is likely to win re-election in the senator's home state. Bayh's voting pattern demonstrates that "he's a moderate," said political scientist Larry Sabato, a professor at the University of Virginia and an expert on Congress. *Congressional Quarterly* calculated that Bayh supported Bush 55 percent of the time. In 2002, Bayh sided with Bush 79 percent of the time. In 2001, Bush's first year in office, Bayh backed Bush 69 percent of the time. How in touch is Marvin Scott with the Indiana political scene? Someone suggested he might need to talk with Pat Kiely of the IMA. Scott responded by asking who Pat Kiely was. **Status:** *Solid D.*

Congressional District 2: Republican: U.S. Rep. Chris Chocola, Tony Zirkle. **Democrat:** Joe Donnelly. **Geography:** South Bend, Michigan City, Mishawaka, Elkhart, Kokomo, Plymouth, Logansport; LaPorte, St. Joseph, Starke, Marshall, Pulaski, Fulton, Cass, Carroll and parts of Howard, Porter, Elkhart and White counties. **Media Market:** South Bend-Elkhart, Indianapolis, Lafayette, Chicago. **People:** Urban/rural 73/27%; median income\$40,381; Poverty 9.5%; Race 84% white, 8% black; 5 Hispanic; Blue/white collar: 34/50%. **2000 Presidential:** Bush 53%, Gore 44%; **Cook Partisan Voting Index:** R+5; **2002 Result:** Chocola 95,081 (50%), Long Thompson 86,253 (46%); **2002 Money:** Chocola \$1.69m, Long Thompson \$1.535m. **2004 Outlook:** Nicholas Tyzka, a former Chocola staffer, owns "JoeDonnelly.com" further solidifying the operative's stance as the gnat of Hoosier politics. Zirkle comes out in favor of outlawing gambling and may be the first Congressional candidate in Indiana to cite the teachings of the Muslim holyn book. **Status:** *Leans Chocola.*

Congressional District 6: Republican: U.S. Rep. Mike Pence. **Democrat:** Melina Ann Fox. **Geography:** Anderson, Muncie, Richmond; Wells, Adams, Blackford, Jay, Madison, Delaware, Randolph, Henry, Wayne, Rush, Fayette, Union, Decatur, Franklin, and parts of Bartholomew, Shelby, Johnson and Allen counties. **Media Market:** Indianapolis, Fort Wayne, Dayton, Cincinnati. **People:** urban/rural 59/40%; median income \$39,002; poverty 9.7%; race: 93% white, 3.8% black, 1.3% Hispanic; blue/white collar 35/49%; **2000 Presidential:** Bush 58%, Gore 40%; **Cook Partisan Voting Index:** R+10; **2002 results:** Pence 118,436 (64%), Fox 63,871. **2002 Money:** Pence \$1.2m, Fox \$342,987. **2004 Outlook:** Fox is still pondering a rematch with Pence, noting that it took Pence and former U.S. Rep. Phil Sharp three tries to win a Congressional seat. Fox has been actively working on behalf of the Howard Dean presidential campaign. **Status:** *Likely Pence.*

Congressional District 7: Republican: Bob Croddy, Andy Horning. **Democrat:** U.S. Rep. Julia Carson. **Geography:** Indianapolis. **Media Market:** Indianapolis. **People:** Urban 99.7%; median income \$36,522; poverty 13.5%; race white 63, black 29.4%, Hispanic 4.4%, Asian 1.3%; blue/white collar 26/58%; **2000 Presidential:** Gore 55%, Bush 43%; **Cook Partisan Voting Index:** D+6. **2002 Results:** Carson 77,478 (53%), McVey 64,379 (44%). **2002 Money:**

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Carson \$1.099m, McVey \$1.15m. **2004 Forecast:** Former Libertarian Horning is expected to enter this race in the next couple weeks. **Status:** *Likely Carson.*

Indiana 2004 Legislative

Senate District 36: Republican: Sen. Larry Borst, Johnson County Council

President Brent Waltz. **Democrat:** Open. **1996 Results:** Borst (R) 26,593, Satterthwaite (L) 2,035. **2000 Results:** Borst 24,621, Reno (D) 12,095, Williamson (L) 1,061. **2004 Forecast:** Waltz is aggressively responding to Borst, already taking out a newspaper ad in the *Johnson County Daily Journal* on taxes. Waltz said he anticipated the possibility that his media buyer, Perkins Nichols Media, would come under intense pressure from Republicans such as Sen. Bob Garton. "I have tremendous respect for Bill Perkins and his company." Waltz said. "It's a shame that as Indiana is facing a billion dollar budget deficit, my opponent and his political cronies are spending their time threatening a small businessman and less time solving Indiana's problems." Waltz said he had Collins Media, who did Sen. Jeff Drozda's 2002 upset campaign over Sen. Steve Johnson, waiting in the wings. **Primary Status:** *TOSSUP.*

House District 46: Republican: State Rep. Brooks LaPlante. **Democrat:** Vern

Tincher. **2002 Results:** LaPlante (R) 8,079, Tincher (D) 7,275. **2004 Forecast:** All indications are that Tincher will seek a rematch. But many Democrats and other opinion leaders in the Terre Haute area are hoping that the party can come up with a fresh candidate to take on LaPlante, whose re-election is tenuous due to his campaign finance violations. LaPlante, who was fined \$10,000 by the Indiana Election Commission, told HPR he has taken the necessary steps to ensure his 2004 campaign meets all legal financial requirements. Even if LaPlante does that, there is little doubt that he is vulnerable. given his narrow 804-vote victory in 2002. LaPlante has a couple of things going for him. He is a creative, energetic campaigner and he can expect a possible tailwind with President Bush on the ticket. However, any coattails from Bush or Mitch Daniels may not be reliable. Hoosier voters will have an opportunity at the top of the ballot to split tickets, with Bush appearing first, and Sen. Evan Bayh next. That could set a trend of ticket-splitting. Many view Tincher as an old-school retread and that has some Democrats openly looking for a younger, progressive officeholder in the district who would pose a better challenge to LaPlante. Tincher would likely use the "we wuz screwed" tactic on the campaign trail and might be in the best position to exploit LaPlante's vulnerabilities. Regardless of what happens, this is one race that could determine who controls the Indiana House, so the stakes are extremely high. **Primary Status:** *TOSSUP.*

House District 86: Republican: Andy Miller, Mort Large. **Democrat:** State Rep.

David Orentlicher. **2002 Results:** Orentlicher *,***, Atterholt (R) *,***. **2004 Forecast:** Orentlicher is already in an aggressive door-to-door mode and he has to, given the fact that his win by 37 votes in a recount and his district was the hardest hit by tax restructuring and reassessment. Orentlicher has been getting excellent television and press news coverage over his legislation to beef up the state's child protective service responsibilities. On Monday night, Orentlicher's legislation received extensive coverage on WTHR-TV. That's the kind of earned media most legislative candidates can only dream about. Orentlicher has other ways to take on the property tax debacle his district faces. First, he wasn't in the House when the plan passed. Second, he can say that the key architect of the plan was Republican Sen. Larry Borst. On the Republican side, Andy Miller is vice president of marketing for Weaver Popcorn and is founder of Nature's Entree, a frozen food company based in Indianapolis. He's been a product manager for ConAgra, NABISCO and Proctor & Gamble. It might be safe to say Miller will be able to market himself in a political context. "I am running, because I want to help get Indiana's economy and education back on track," Miller told HPR. "When elected, I will leverage my experience as a business leader to help make Indiana a leading place to work and do business, and I will help make Indiana a leader in education. In short, I plan to get us back to work on Indiana's challenges." Large has a political background with Washington Township government and he may be the early favorite because of that background. But that GOP primary race has plenty of time to develop. **Primary Status:** *LEANS LARGE.* ❖

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punishable by up to six months in jail and a \$1,000 fine. But state Rep. David Orentlicher, D-Indianapolis, said there should be tougher penalties for false reports that result in harm to children. "If you're filing a false report, somebody could die," he said. "You should have a more severe penalty." Orentlicher made his comments in response to The Star's report Wednesday on Sherry Susnick, 37, Bloomington. The former state welfare caseworker was demoted and reassigned in March 2002 after she admitted "cutting corners" and repeatedly filing false reports in child abuse and neglect cases, according to records obtained by the newspaper. She was accused by superiors of fabricating interviews with witnesses and others in child protection cases in late 2001, putting up to a dozen children at risk, according to an Indiana Family and Social Services Administration disciplinary report.

QUIGLEY NAMED ICLU CHIEF: An Indianapolis journalist and lawyer will take the reins of the Indiana Civil Liberties Union when Executive Director John Krull steps down in March. Fran Quigley, chosen from about 100 applicants, will leave his post as news editor for the weekly newspaper NUVO when he starts at the

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ICLU on March 8. At a news conference Wednesday, Quigley, 41, said he welcomed the opportunity to protect the Bill of Rights in Indiana. "The most vital task at hand," he said, "is simply to continue ICLU's 50-year legacy of defending the people and the causes that may not always be popular but are always just." ICLU President Hamid Kashani said Quigley was well-suited to take over for John Krull, who will become director of Franklin College's journalism school March 5.

LAKE COUNTY HOMEOWNERS TO SEE TAX SHIFT FROM BIG 3 COMPANIES: Lake County residents and small businesses likely will face steeper tax bills -- in addition to the changes coming from the reassessment -- because of state legislation passed last year. Assessors here worry a new law will shift more than \$657 million in assessed value from the county's three biggest industrial companies -- Ispat Inland Inc., U.S. Steel Corp. and BP -- to the rest of the taxpayers. "Taxpayers will be hit with a double whammy as a result of this," said Merrillville attorney Brian Popp, who represents Lake County Assessor Paul Karras. Popp has fought against House Bill 1858 since it was introduced nearly a year ago. "It represents the largest single tax increase to residents and small businesses in the history of Lake County," Popp said.

COLUMNISTS ON INDIANA

Dave Rutter, *Post-Tribune* - It's official. The economy of the state of Indiana is a shambles. It's also official that the people we send to Indianapolis to address the shambles aren't going to do much about it. It's Manifest Destiny meets Dumb and Dumber. While the General Assembly initiated its usual thrashing-around-in-the-mud launching this week, the only real news to be unveiled was the tax income numbers. The budget projections used to make the constitutionally required balanced budget were mostly a figment of the imagination. You need fake budget projections to produce a fake balanced budget. 'Lord of the Rings' meets fiscal planning. The legislature produces its biennial budget based on these numbers. The self-induced delusion truly was giddy this time. Those numbers show that whatever the status of recession recovery in surrounding states, Indiana is DOA. If you go solely by sales tax income, Indiana had a lousy Christmas retail season compared to other states. Hoosiers love solutions that don't require leaders actually doing anything that looks like leading. Are you angry, disturbed, saddened? Don't be. It's what the people of Indiana choose. We've sent these do-nothing nincompoops to Indianapolis for decades now and, in return, have gotten one of the worst-run state governments in the Midwest. ❖

Andrea Neal, *Indianapolis Star* - Buried deep in a news article about Gov. Joe Kernan's all-day kindergarten plan was this comment from Republican governor candidate Mitch Daniels: "Given the state's bankruptcy, it is not clear that a sustainable program can start now, but let's have a look." Forget what he said about kindergarten, for a moment. News flash: Indiana is bankrupt. "Bankrupt? That would be an accurate statement," says state Sen. Luke Kenley. Just last

week, lawmakers heard that bad news from State Budget Director Marilyn Schultz. December tax collections fell \$13.6 million short of expectations. These were the dismal numbers that formed the backdrop for Kernan's incredible proposal last week for all-day kindergarten and Democratic House Speaker Pat Bauer's decision to sponsor it. Why incredible? Because the legislature is in a short session, it's not a budget year, Indiana is out of money and facing a mini-property tax revolt. Kernan would have to divert money from teacher pension funds and convince lawmakers and voters to enact a constitutional amendment to finance his plan. Hoosiers, it's time to face facts. Indiana is bankrupt, just like our neighbors to the north and south. Kernan's kindergarten proposal is all smoke and mirrors. ❖

Morton Marcus, *syndicated* - Gov. Joe Kernan has proposed state-funded full-day kindergarten for Indiana's children. It's a good idea that has been around for a long time. The governor's plan to fund this program with a mix of lottery and casino money is a bad idea, fully in keeping with many long-standing bad ideas enacted enthusiastically by the General Assembly. Indiana continues to depend on sin taxes to support vital public services. When we need tax money, we hike the cigarette, alcohol, and gaming taxes. We avoid raising the basic state taxes on income and sales, except, of course, to "relieve the over-burdened property taxpayer." Basic services, however, should be supported by basic taxes. But that concept, "practical" politicians on both sides will say, is too idealistic. Folks just don't want higher taxes to support the needs of the state. So we tax activities that we think are "bad" and use those funds for our needs. ❖

PERHAPS... WE WANDER

By Brian Howey

From Nuts ... to Mainstream

Shortly after the historic tax restructuring of 2002, I began matching the Republican rhetoric of "no new taxes" with the coming demands that will be placed on state and local governments. I deduced that the best way to achieve both goals was to study and revamp those governments. The Constitutional Convention to modernize the 1851 document that lays out Indiana government is the best way to accomplish this.

In the early days, a lot of people thought I was nuts, but they thought I was nuts when I began beating the drums for tax restructuring back in 1997. And think of where the state would be now if we had restructured taxes then or in 1999. Would we have endured the recession better? Would we have been further along in creating the high tech economic sector? Would homeowners have been in better shape?

It's been fascinating to watch politicians and the news media try to come to grips with the Con-Con. Most ignored it over the past year. But that's changing. On Jan. 1, the *Elkhart Truth's* annual "Community Agenda" stated this goal: "A Constitutional convention to change the structure of county and township government. State officials must consider sweeping changes to the structure of local government at the township and county level in an effort to streamline and modernize operations and to save taxpayers' dollars."

Or how about Mary Beth Schneider's column in the *Indianapolis Star* last Sunday: "Attitudes, though, are changing. There are several legislative efforts to reduce the size of government, including bipartisan bills to make the state

clerk of the courts an appointed, rather than elected, position. State Rep. Ed Mahern ... said it may be the first step toward eliminating other elected offices -- from the state level down to counties and townships."

Yes! Go, Mary Beth!

She continued: (Supt. Suellen) "Reed thinks it's time to make the education job part of a governor's Cabinet. Mitch Daniels, considered the leading GOP candidate for governor, said he and Reed have discussed it. 'I'm looking hard at it as part of a look at a large number of offices we elect in Indiana that may be in need of modernization,' he said. 'Indiana voters hold governors accountable for education. It's time to give them the partner they need for success.'"

Next came Gov. Kernan's State of the State address Tuesday night. Gov. Kernan said Lt. Gov. Kathy Davis will lead an effort to examine how government can best deliver services to its customers. "I've asked her to do more than just look under the hood and kick the tires," Gov. Kernan said. "If there's a better way to serve you, then maybe it's time to redesign the whole car."

It wasn't the bold declaration for the Con-Con, such as Daniels has made in HPR and the *Indianapolis Eye* (though his thoughts have barely been covered elsewhere). But clearly Gov. Kernan is preparing his team to enter that zone.

Now comes forth the *Star's* glacially moving editorial page, which has boldly endorsed the concept of appointing, not electing, a clerk of the courts. And now ... "The review of government operations, while an election year crowd pleaser, will be meaningless without substantive changes in entrenched bureaucracies," the *Star* editorialized.

Yes, the times, they are a-changin'. ❖

TICKER T A P E

DOMINGUEZ FIRES FORMER SUPPORTER: A Lake County Sheriff's Police officer who supported the candidacy of Sheriff Rogelio "Roy" Dominguez in last year's election is on the verge of being fired (Times of Northwest Indiana). Officer Miladin "Mike" Radovich is claiming in documents filed with the Sheriff's Police Merit Board that Dominguez's actions are politically motivated and a reaction to Radovich's decision to run for a seat on the Merrillville Town Council in 2003. Dominguez declined to comment, saying "it's a personnel matter." The board has set a hearing tonight.

REPUBLICANS SEEK LEGISLATIVE ACCOUNTABILITY OFFICE: To address the ongoing scandals, mismanagement, and fraud occurring throughout the executive branch of state government, House Republicans will introduce legislation to establish a non-partisan Legislative Office of Accountability.

KNOX COUNTY TAX BILLING SCHEDULED: Knox County Auditor Terry Ewer believes 2003 property tax statements will be sent out in mid-March, with the county then to start collecting property tax revenues in May (Vincennes Sun-Commercial). ❖